

Revised Meeting Minutes as of July 12, 2023

MINUTES OF THE REGULAR MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

9:00 A.M., WEDNESDAY, JUNE 14, 2023

This meeting was conducted by the Board of Investments both in person and by teleconference under California Government Code Section 54953 (f).

TRUSTEES PRESENT

Gina Sanchez, Chair

Herman Santos, Vice Chair

David Green

Jason Green

Onyx Jones

Patrick Jones

Joseph Kelly

David Ryu

TRUSTEES ABSENT

Keith Knox, Ex-Officio Trustee

STAFF ADVISORS AND PARTICIPANTS

Jonathan Grabel, Chief Investment Officer

Santos Kreimann, Chief Executive Officer

Steven P. Rice, Chief Counsel

STAFF ADVISORS AND PARTICIPANTS (Continued)

Luis Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Ted Granger, Interim Chief Financial Officer

Michael Herrera, Senior Staff Counsel

Christine Roseland, Senior Staff Counsel

Christopher Wagner, Principal Investment Officer

Jude Perez, Principal Investment Officer

Esmeralda del Bosque, Acting Principal Investment Officer

Ron Senkandwa, Investment Officer

Derek Kong, Investment Officer

John Kim, Investment Officer

Terra Elijah, Senior Investment Analyst

Magdalia Armstrong, Senior Investment Analyst

Meketa Investment Group (General Investment Consultants)

Timothy Filla, Managing Principal

StepStone Group LP (Real Assets Consultants)

Tom Hester, Partner

StepStone Group LP (Private Equity Consultants)

Jose Fernandez, Partner

STAFF ADVISORS AND PARTICIPANTS (Continued)

Albourne

James Walsh, Partner
Kristen Jones, Senior Credit Analyst
Steven Kennedy, Partner
Mark White, Partner

Milliman

Nick Collier, Consulting Actuary
Craig Glyde, Consulting Actuary

I. CALL TO ORDER

The meeting was called to order by Chair Sanchez at 9:30 a.m. in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Trustee O. Jones led the Trustees and staff in reciting the Pledge of Allegiance.

III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)

- A. Just Cause
- B. Action on Emergency Circumstance Requests
- C. Statement of Persons Present at AB 2449 Teleconference Locations

No requests were received for (A) Just Cause or (B) Emergency Circumstances.

IV. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Regular Meeting of May 10, 2023

IV. APPROVAL OF MINUTES (Continued)

A motion was made by Trustee Santos, seconded by Trustee Kelly, to approve the Regular Meeting Minutes of May 10, 2023. The motion passed by the following roll call vote:

Yes: D. Green, Santos, P. Jones, Kelly, Sanchez, Ryu, J. Green, O. Jones

Absent: Knox

V. PUBLIC COMMENT

Brady Collins, Eunae Park and David Abud of California Restaurant & Retail Workers Union (CRRWU) addressed the Board regarding their concerns with Coway. Lastly, John Mckee, LACERA member provided a written comment to the Board addressing investment concerns.

VI. EXECUTIVE UPDATE

A. Chief Investment Officer's Report

Mr. Grabel provided a brief presentation on the Chief Investment Officer's Report and answered questions from the Board.

B. Member Spotlight

Mr. Popowich recognized LACERA member, Borina Nou Garcia.

C. Chief Executive Officer's Report

Mr. Kreimann provided a brief presentation on the Chief Executive Officer's Report and answered questions from the Board.

VII. CONSENT ITEMS

A. **The PPI Executive Seminar and the Asia Pacific Roundtable in Tokyo, Japan on October 22 - 27, 2023**

Recommendation that the Board approve attendance of Trustees at the PPI Executive Seminar and the Asia Pacific Roundtable in Tokyo, Japan on October 22 - 27, 2023, and approve reimbursement of all

VII. CONSENT ITEMS (Continued)

travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies. (Memo dated June 5, 2023) (Placed on the agenda by Trustee Herman Santos)

A motion was made by Trustee Kelly, seconded by Trustee D. Green, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: D. Green, Santos, P. Jones, Kelly, Sanchez, Ryu, J. Green

Absent: Knox, O. Jones

VIII. NON-CONSENT ITEMS

A. **LACERA Budget Policy (Annual Review)**

Recommendation as submitted by Herman B, Santos, Chair, Joint Organizational Governance Committee: That the Board review and approve the revised LACERA Budget Policy, attached as a companion to the adoption of the Administrative, Retiree Healthcare Benefits Program and Other Post-Employment Benefits Trust Budgets. (Memo dated May 12, 2023) (Supplemental Memo dated May 31, 2023)

Ms. Guglielmo was present and answered questions from the Board.

A motion was made by Trustee Santos, seconded by Trustee D. Green, to approve staff's recommendation: The motion passed by the following roll call vote:

Yes: D. Green, Santos, P. Jones, Sanchez, Ryu, J. Green, O. Jones

Absent: Knox, Kelly

B. **Approval of Fiscal Year 2023-24 Administrative, Retiree Healthcare Benefits Program and Other Post-Employment Benefits Trust Budgets**

Recommendation as submitted by Herman B. Santos, Chair, Joint Organizational Governance Committee: That the Board adopt the LACERA Fiscal Year (FY) 2023-24 Administrative, Retiree Healthcare

VIII. NON-CONSENT ITEMS (Continued)

Benefits Program and Other Post-Employment Benefits Trust Budgets.
(Memo dated May 12, 2023)

Ms. Guglielmo was present and answered questions from the Board.

A motion was made by Trustee Santos, seconded by Trustee D. Green, to approve staff's recommendation: The motion passed by the following roll call vote:

Yes: D. Green, Santos, P. Jones, Sanchez, Ryu, J. Green, O. Jones

Absent: Knox, Kelly

C. **Approval of Revised AB 2449 Teleconference Policy**

Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board approve the proposed revised AB 2449 Teleconference Policy. (Memo dated May 26, 2023)

Mr. Rice was present and answered questions from the Board.

A motion was made by Trustee Santos, seconded by Trustee J. Green, to approve staff's recommendation with the suggested changes by Chief Counsel to align with action by the Board of Retirement and to return this item on Consent at the July meeting. The motion passed by the following roll call vote:

Yes: D. Green, Santos, P. Jones, Kelly, Sanchez, Ryu, J. Green, O. Jones

Absent: Knox

IX. REPORTS

A. **2023 Actuarial Risk Assessment Report**

Santos H. Kreimann, Chief Executive Officer
Ted Granger, Interim Chief Financial Officer
(Presentation) (Memo dated May 31, 2023)

Mr. Granger and Messrs. Collier and Glyde of Milliman provided a presentation and answered questions from the Board.

This item was received and filed.

IX. REPORTS (Continued)

- B. **LACERA Quarterly Performance Book**
Meketa Quarterly Performance Book
Jude Pérez, Principal Investment Officer
(For Information Only) (Memo dated June 1, 2023)

This item was received and filed.

- C. **LACERA OPEB Quarterly Performance Book**
Meketa OPEB Quarterly Performance Book
Jude Pérez, Principal Investment Officer
(For Information Only) (Memo dated June 1, 2023)

This item was received and filed.

- D. **Global Equity Account Conversion**
Esmeralda del Bosque, Acting Principal Investment Officer
Ron Senkandwa, Investment Officer
Magdalia Armstrong, Senior Investment Analyst
(For Information Only) (Memo dated June 6, 2023)

This item was received and filed.

- E. **Legal Report Regarding Strategic Plan and Approval Process**
Robert Klausner, Fiduciary Counsel
Klausner, Kaufman, Jensen & Levinson
(For Information Only) (Memo dated May 31, 2023)
(Privileged and Confidential/Attorney-Client Communication/Attorney
Work Product)

This item was received and filed.

- F. **Monthly Status Report on Legislation**
Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated May 27, 2023)

This item was received and filed.

IX. REPORTS (Continued)

G. **Legal Projects**

Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated June 2, 2023)

This item was received and filed.

H. **Monthly Trustee Travel & Education Reports – April 2023**

3rd Quarter Trustee Travel & Education Expenditure Reports
3rd Quarter Staff Travel Report (Including FPPC Form 801)
Ted Granger, Interim Chief Financial Officer
(For Information Only) (Memos dated May 24, 2023)
Monthly Trustee Travel & Education Report
Comprehensive Monthly Trustee Travel & Education Report
(Confidential Memo – Includes Pending Travel)

This item was received and filed.

I. **May 2023 Fiduciary Counsel Contract and Billing Report**

Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated May 23, 2023)
(Privileged and Confidential/Attorney-Client Communication/Attorney
Work Product)

This item was received and filed.

X. ITEMS FOR STAFF REVIEW

The Board requested that staff conduct a survey regarding trustee experience using OneMeeting. Furthermore, it was requested that staff schedule additional trustee training.

Lastly, the Board requested for staff to provide an analysis and discussion of the impact of PEPRA regarding recruitment and retention in regards to County Employees.

XI. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

XII. GOOD OF THE ORDER
(For Information Purposes Only)

Mr. Grabel introduced the newly hired Investments interns and Mr. S. Rice introduced the newly hired Legal interns.

XIII. EXECUTIVE SESSION

Trustee Kelly publicly stated that, to avoid any appearance of impropriety, he will recuse himself from Executive Session Item XIII.A.2 because his adult sister is employed by one of the firms that responded to the OPEB Master Trust Public Markets Passive Investment Management Services Request for Proposals. Mr. Kelly has no financial interest in the firm, and Mr. Kelly and his sister are financially independent of each other. He briefly reviewed the close session materials and will respect the closed session privilege of confidentiality. Mr. Kelly left the room during the item.

A. Conference with Staff and Legal Counsel to Consider the Purchase or Sale of Particular, Specific Pension Fund Investments
(Pursuant to California Government Code Section 54956.81)

1. **CVC Capital Partners IX**

Christopher J. Wagner, Principal Investment Officer

Derek Kong, Investment Officer

(Presentation) (Memo dated May 25, 2023)

Messrs. Wagner, Kong and Mr. Fernandez of StepStone Group provided a presentation and answered questions from the Board.

Mr. Santos made a motion, Mr. Kelly seconded, to approve a commitment of up to €250 million (approximately \$270 million) to CVC Capital Partners IX, which is a private equity global buyout fund with a geographic focus on Europe with some allocation to North America and the rest of the world and a sector focus on consumer, financials, healthcare, industrials, information technology, materials and communication services. The motion passed by the following roll call vote:

Yes: D. Green, Santos, P. Jones, Kelly, Sanchez, Ryu, J. Green, O. Jones

Absent: Knox

XIII. EXECUTIVE SESSION (Continued)

2. OPEB Master Trust Public Markets Passive Investment Management Search Update

Jude Pérez, Principal Investment Officer

Esmeralda del Bosque, Acting Principal Investment Officer

John Kim, Investment Officer

Terra Elijah, Senior Investment Analyst

(For Information Only) (Memo dated June 1, 2023)

The Board received an information only report that, within authority delegated to him by the Board in action taken on Item VII.A. of its February 8, 2023 meeting agenda, the Chief Investment Officer selected BlackRock Institutional Trust Company to continue to provide public markets passive investment management services for the LACERA Master OPEB Trust.

B. Conference With Legal Counsel—Existing Litigation
(Pursuant to Paragraph (1) of Subdivision (d) of California Government Code Section 54956.9)

1. IPERS, et al. v. Bank of America Corporation, et al., etc. (S.D.N.Y) Case No. 17-cv-6221

Michael D. Herrera, Senior Staff Counsel

(Memo dated June 5, 2023)

The Board took action, which will be reported out when required under the Brown Act. There is nothing to report today.

XIV. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:32 p.m.

Signature on File

JOSEPH KELLY, SECRETARY

Signature on File

GINA SANCHEZ, CHAIR